

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHB 327(STA)  
 (H) Publish Date: 5/7/02

Revision Date/Time (Note if correction): Rev 4/22/02 Dept. Affected: All  
 Title "An act relating to state employees BRU All  
called to active duty..." Component All  
 Sponsor Governor  
 Requester House State Affairs Component No. All

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 44.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The estimated FY 2002 cost above is based on expenses that would have been incurred on behalf of eight state employees activated to military service if an Administrative Order under the proposed legislation had been issued and if the Order directed the payment of supplemental wages and health insurance premium contributions for the period September 11, 2001 through June 30, 2002.

FY 2003 and out year funding is indeterminate since there is no way to predict the number of emergencies for which an Administrative Order under the legislation might be considered.

Prepared by: David Stewart Phone 465-4431  
 Division Division of Personnel Date/Time 4/22/02 11:40 AM  
 Approved by: Jim Duncan, Commissioner Date 4/22/2002  
 Agency Department of Administration

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BILL NO. CSHB 327(STA) - FN#2

### ANALYSIS CONTINUATION

The FY 2002 cost is based on the following assumptions:

- (1) 41 State employees have been called to active duty since September 11, 2001;
- (2) 8 of those State employees called to active duty earned less salary in military service than in service to the State of Alaska;
- (3) These 8 State employees were engaged 100% of the time in military service;
- (4) The average period of active duty for the 8 affected employees, as of June 30, 2002, will be 120 days or 4 months 8 pay periods;
- (5) The composite monthly wage supplement amount for the 8 affected employees is \$6,346;
- (6) For the period of active duty, the total wage supplement would be \$25,384 (4 months @ \$6346);
- (7) The State of Alaska paid 100% of health insurance premium costs for the period 9/11/01 through 6/30/02;
- (8) The combined health insurance premium contribution would be \$18,400 (8 employees x \$575 x 4 months)
- (9) The total expense for 8 active duty employees for 120 days would be \$43,784.

For absences of 120 days or less, the use of a nonpermanent substitute is appropriate. The cost of a nonpermanent substitute for 120 days or less is the cost of wages. Nonpermanent employees employed longer than 120 days are eligible for wages, leave and health insurance costs.

The employer health premium contribution increases from \$575 to \$630 on July 1, 2002.